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United States Department of Agriculture

(Bureau of Agricultural Economics)

Service and Regulatory Announcements No. 119

REGULATIONS

**OF THE SECRETARY OF AGRICULTURE
UNDER THE**

**UNITED STATES WAREHOUSE ACT
OF AUGUST 11, 1916**

AS AMENDED

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**REGULATIONS FOR WAREHOUSEMEN
STORING NUTS**



**APPROVED OCTOBER 22, 1929
AMENDED JUNE 29, 1931**

ISSUED AUGUST 1937

United States Department of Agriculture

(BUREAU OF AGRICULTURAL ECONOMICS)

SERVICE AND REGULATORY ANNOUNCEMENTS NO. 119

(AS AMENDED)

REGULATIONS FOR WAREHOUSEMEN STORING NUTS

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the United States warehouse act, approved August 11, 1916 (39 U. S. Stat. L., p. 486), as amended, I, Arthur M. Hyde, Secretary of Agriculture, do make, prescribe, publish and give public notice of the following rules and regulations to be known as the "Regulations for Warehousemen Storing Nuts" and to be in force and effect on and after October 21, 1929, unless amended or superseded by rules and regulations which may hereafter be made by the Secretary of Agriculture under said act.

In testimony whereof, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed, in the city of Washington, this 22d day of October, 1929.



Arthur M. Hyde

Secretary of Agriculture.

Regulation 1. Definitions

SECTION 1. Words used in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand. Words import singular or plural.

SEC. 2. For the purpose of these regulations, unless the context otherwise require, the following terms shall be construed, respectively, to mean: Terms defined.

Paragraph 1. Nuts.—Unshelled, American-grown peanuts, pecans, filberts, and English or Persian walnuts. Nuts.

Par. 2. The act.—The United States warehouse act, approved August 11, 1916 (39 U. S. Stat. at L., pp. 446, 486), as amended. The act.

Par. 3. Person.—An individual, corporation, partnership, or two or more persons having a joint or common interest. Person.

Secretary.	<i>Par. 4. Secretary.</i> —The Secretary of Agriculture of the United States.
Chief of the bureau.	<i>Par. 5. Chief of the bureau.</i> —The Chief of the Bureau of Agricultural Economics.
Regulations.	<i>Par. 6. Regulations.</i> —Rules and regulations made under the act by the Secretary.
Bureau.	<i>Par. 7. Bureau.</i> —The Bureau of Agricultural Economics of the United States Department of Agriculture.
Warehouse.	<i>Par. 8. Warehouse.</i> —Unless otherwise clearly indicated by the context, any suitable building, structure, or other protected inclosure in which nuts are or may be stored for interstate or foreign commerce, or, if located in any place under the exclusive jurisdiction of the United States, in which nuts are or may be stored, and for which a license has been issued under the act.
Warehouseman.	<i>Par. 9. Warehouseman.</i> —Unless otherwise clearly indicated by the context, any person lawfully engaged in the business of storing nuts and holding a warehouse license.
License.	<i>Par. 10. License.</i> —A license issued under the act by the Secretary.
Licensed warehouseman's bond.	<i>Par. 11. Licensed warehouseman's bond.</i> —A bond required to be given under the act by a licensed warehouseman.
Licensed grader.	<i>Par. 12. Licensed grader.</i> —A person licensed under the act by the Secretary to grade and to certificate the grade or other class of nuts stored or to be stored in a licensed warehouse.
Licensed weigher.	<i>Par. 13. Licensed weigher.</i> —A person licensed under the act by the Secretary to weigh and certificate the weight of nuts stored or to be stored in a licensed warehouse.
Licensed inspector.	<i>Par. 14. Licensed inspector.</i> —A person licensed under the act by the Secretary to sample, to inspect, and to certificate the condition for storage of nuts.
Receipt.	<i>Par. 15. Receipt.</i> —A licensed warehouse receipt issued under the act, unless otherwise specified.
Package.	<i>Par. 16. Package.</i> —A bag, sack, box, or other container.

Warehouse licenses.

Regulation 2. Warehouse Licenses

Application form.

SECTION 1. Applications for licenses under sections 4 and 9 of the act and for modifications or extensions of licenses under section 5 of the act shall be made to the Secretary upon forms prescribed for the purpose and furnished by the bureau, shall be in English, shall truly state the information therein contained, and shall be signed by the applicant. The applicant shall at any time furnish such additional information as the Secretary or the chief of the bureau shall find to be necessary to the consideration of his application by the Secretary.

Grounds for not issuing license.

SEC. 2. A license for the conduct of a warehouse shall not be issued if it be found by the Secretary that the warehouse is not suitable for the proper storage of nuts, that the warehouseman is incompetent to conduct such warehouse in accordance with the act and these regulations, or that there is any other sufficient reason within the purposes of the act for not issuing such license.

Net assets required.

SEC. 3. The warehouseman conducting a warehouse licensed or for which application for license has been made under the act, shall have and maintain above all exemptions and liabilities net assets liable for the payment of any indebtedness arising from the conduct of the warehouse, to the extent of at least \$5 per ton of the maximum number of tons of peanuts, 2 cents per pound of the maximum number of pounds of walnuts or filberts, and/or 3 cents per pound of the maximum number of pounds of pecans that the warehouse will accommodate when stored in the manner customary to the warehouse as determined by the chief of the bureau, except that the amount of such assets shall not be less than \$5,000, and need not be more than \$100,000. In case such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, such warehouses shall be deemed to be one warehouse for the purposes of the assets required under this section.

For the purposes of this section only, paid-in capital stock, as such, shall not be considered a liability. Any deficiency in the required net assets may be supplied by an increase in the amount of the warehouseman's bond in accordance with paragraph 2 of section 2 of regulation 3.

SEC. 4. Immediately upon receipt of his license or of any modification or extension thereof under the act, the warehouseman shall post the same, and thereafter, except as otherwise provided in these regulations, keep it posted until suspended or terminated, in a conspicuous place in the principal office where receipts issued by such warehouseman are delivered to depositors. License or extension shall be posted.

SEC. 5. Pending investigation, the Secretary, whenever he deems necessary, may suspend a warehouseman's license temporarily without hearing. Upon written request and a satisfactory statement of reasons therefor, submitted by a warehouseman, the Secretary may, without hearing, suspend or cancel the license issued to such warehouseman. The Secretary may, after opportunity for hearing, when possible, has been afforded in the manner prescribed in this section, suspend or cancel a license issued to a warehouseman when such warehouseman is (a) bankrupt or insolvent; (b) has parted, in whole or in part, with his control over the licensed warehouse; (c) is in process of dissolution or has been dissolved; (d) has ceased to conduct such licensed warehouse; or (e) has in any other manner become nonexistent or incompetent or incapacitated to conduct the business of the warehouse. Whenever any of the conditions mentioned in subdivisions (a) to (e) of this section shall come into existence, it shall be the duty of the warehouseman to notify immediately the chief of the bureau of the existing condition. Before a license is suspended, revoked, or canceled for any violation of, or failure to comply with, any provision of the act or of these regulations or upon the ground that unreasonable or exorbitant charges have been made for services rendered, the warehouseman involved shall be furnished by the Secretary, or by an official of the Department of Agriculture designated for the purpose, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 10, section 4. Suspension, cancellation, or revocation of warehouse licenses.

SEC. 6. When a license issued to a warehouseman terminates or is suspended, revoked, or canceled by the Secretary, it shall be returned to the Secretary. At the expiration of any period of suspension of such license, unless it be in the meantime revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, and it shall be returned to the licensed warehouseman to whom it was originally issued, and it shall be posted as required in section 4 of this regulation: *Provided*, That in the discretion of the chief of the bureau a new license may be issued without reference to such suspension. Suspended or terminated license to be returned to Secretary.

SEC. 7. Upon satisfactory proof of the loss or destruction of a license issued to a warehouseman, a duplicate thereof may be issued under the same or a new number at the discretion of the Secretary. Lost or destroyed warehouse license.

SEC. 8. No warehouse or its warehouseman shall be designated as licensed under the act and no name or description conveying the impression that it or he is so licensed shall be used, either in receipt or otherwise, unless such warehouseman holds an unsuspended, unrevoked, and uncanceled license for the conduct of such warehouse. Unlicensed warehousemen must not represent themselves as licensed.

Regulation 3. Warehouse Bonds

SECTION 1. Unless the warehouseman has previously filed with the Secretary the necessary bond required by section 2 of this regulation, he shall file such bond within a time, if any, specified by the Secretary, such bond to cover all obligations arising thereunder during the period of the license. Time of filing bond.

Amount based
on storage capac-
ity.

SEC. 2. Paragraph 1.—Exclusive of any amount which may be added in accordance with paragraphs 2 and 3 of this section, the amount of such bond shall be at the rate of \$5 per ton of the maximum number of tons of peanuts, 2 cents per pound of the maximum number of pounds of walnuts or filberts, and/or 3 cents per pound of the maximum number of pounds of pecans that the warehouse will accommodate when stored in the manner customary to the warehouse for which such bond is required, as determined by the chief of the bureau, but not less than \$5,000 nor more than \$50,000. If such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, and shall desire to give a single bond meeting the requirements of the act and these regulations for said warehouses, such warehouses shall be deemed to be one warehouse for the purposes of the bond required under this regulation. The amount of any bond covering more than one warehouse shall be determined on the same basis as for a single warehouse, but with the maximum amount raised to \$100,000.

Additional
amount for defi-
ciency in net
assets.

Par. 2.—In case of a deficiency in net assets under regulation 2, section 3, there shall be added to the amount of the bond, fixed in accordance with paragraph 1 of this section, an amount equal to such deficiency.

Additional
amount for spe-
cial conditions.

Par. 3.—In case the Secretary finds the existence of conditions warranting such action, there shall be added to the amount fixed in accordance with paragraphs 1 and 2 of this section a further amount, fixed by him, to meet such conditions.

Extension or
modification of
license and addi-
tional bond.

SEC. 3. If application is made under regulation 2, section 1, for a modification or an extension of a license, and no bond previously filed by the warehouseman under this regulation covers obligations arising during the period of such modification or extension, the warehouseman shall, when notice has been given by the Secretary or his representative, that his application for such modification or extension will be granted upon compliance by such warehouseman with the act, file with the Secretary, within a time, if any, fixed in such notice, a bond complying with the act, unless bond in sufficient amount has been filed since the filing of such application. In the discretion of the Secretary, a properly executed instrument in form approved by him, amending, extending, or continuing in force and effect the obligations of a valid bond previously filed by the warehouseman and otherwise complying with the act and these regulations may be filed in lieu of a new bond.

New bond re-
quired to con-
tinue license be-
yond one year.

SEC. 4. Whenever a continuous form of license has been issued, such license shall not be effective beyond one year from its effective date unless the warehouseman shall have filed a new bond in the required amount with, and such bond shall have been approved by, the Secretary prior to the date on which that license would have expired had it been issued for but one year, subject to the provisions of section 3 of this regulation.

Approval of
bond.

SEC. 5. No bond, amendment, or continuation thereof shall be deemed accepted for the purpose of the act and these regulations until it has been approved by the Secretary.

Warehouse re-
ceipts.

Regulation 4. Warehouse Receipts

Contents of nego-
tiable and non-
negotiable re-
ceipts.

SECTION 1. Paragraph 1.—Every receipt, whether negotiable or nonnegotiable, issued for nuts stored in a licensed warehouse shall, in addition to complying with the requirements of section 18 of the act, embody within its written or printed terms the following: (a) The name of the licensed warehouseman and the designation, if any, of the warehouse; (b) the license number of the warehouse; (c) a statement whether the warehouseman is incorporated or unincorporated, and, if incorporated, under what laws; (d) the tag number given to each package or lot of nuts in accordance with regulation 5, section 11; (e) a statement, conspicuously placed, whether or not the nuts are insured, and, if insured, to what extent, by the warehouseman against loss by fire, lightning, tornado or

flood; (f) a blank space designated for the purpose in which the condition of the nuts shall be stated; (g) a blank space designated for the purpose in which the variety and kind of nuts shall be stated; (h) the words "Not negotiable" or "Negotiable," according to the nature of the receipt, clearly and conspicuously printed or stamped thereon; and (i) a statement indicating the amount of shrinkage, if any, agreed upon between the depositor and the warehouseman.

Par. 2.—Every receipt, whether negotiable or nonnegotiable, issued for peanuts stored in a licensed warehouse shall specify a period, for which the peanuts are accepted for storage under the act and these regulations, not to extend beyond July 1 following the year in which harvested. Upon demand and the surrender of the old receipt by the lawful holder thereof on July 1, the warehouseman, upon such lawful terms and conditions as may be granted by him at such time to other depositors of peanuts in the warehouse, if he then continues to act as a licensed warehouseman, may issue a new receipt for a further specified period not to extend beyond March 31 of the year following the date of surrender of the receipt; provided, that the peanuts are first reinspected by a licensed inspector and found to be in proper condition for further storage and the grade and condition as determined by the licensed inspector and the year in which the peanuts were harvested are shown on the new receipt. Storage period for peanuts.

Par. 3.—Every receipt, whether negotiable or nonnegotiable, issued for walnuts, filberts, or pecans stored in a licensed warehouse under ordinary dry storage conditions shall specify a period for which the walnuts, filberts, or pecans are accepted for storage under the act and these regulations not to extend beyond March 31 following the year in which harvested. Upon demand by the lawful holder and surrender of this receipt on or before March 31, the warehouseman, upon such lawful terms and conditions as may be granted by him at such time to other depositors of walnuts, filberts, or pecans in his warehouse, if he then continues to act as a licensed warehouseman may issue a new receipt for a further specified period not to extend beyond December 31 of the year following the date of surrender of the receipt; provided, that the walnuts, filberts, or pecans are first reinspected by a licensed inspector and found to be in proper condition for further storage and the grade and condition as determined by the licensed inspector and the year in which the walnuts, filberts, or pecans were harvested are shown on the new receipt; and provided further that such nuts are placed in licensed cold storage space before or immediately following inspection thereof and before the issuance of receipts. Storage period for walnuts, filberts, and pecans

Par. 4.—The grade stated in a receipt issued for nuts, shall be stated in such receipt in accordance with regulation 8, as determined by the licensed grader who last graded the nuts before the issuance of such receipt, and such receipt shall embody within its written or printed terms the following: (a) That the nuts covered by the receipt were graded by a licensed grader, weighed by a licensed weigher and inspected by a licensed inspector; (b) a form of indorsement which may be used by the depositor, or his authorized agent, for showing the ownership of, and liens, mortgages, or other encumbrances on the nuts covered by the receipt. Additional contents of negotiable receipts.

Par. 5.—If a warehouseman issues a receipt omitting the statement of grade on request of the depositor as permitted by section 18 of the act, such receipt shall have clearly and conspicuously stamped or written on the face thereof the words "Not graded on request of depositor." When grade omitted receipt must be so marked.

Par. 6.—If a warehouseman issues a receipt under the act omitting any information not required to be stated, for which a blank space is provided in the form of the receipt, a line shall be drawn through such space to show that such omission has been made by the warehouseman. Blank spaces in receipt to be filled in.

SEC. 2. If any copies of receipts are made, all such copies, except those issued in lieu of the original in case of lost or destroyed receipts, shall, if there be no statute of the United States or law of a Copies of receipts.

Lost or destroyed receipts.	<p>State providing otherwise, have clearly and conspicuously printed or stamped thereon the words, "Copy—Not Negotiable."</p> <p>SEC. 3. <i>Paragraph 1.</i>—In the case of a lost or destroyed receipt, if there be no statute of the United States or law of a State applicable thereto, a new receipt upon the same terms, subject to the same conditions, and bearing on its face the number and the date of the receipt in lieu of which it is issued and a plain and conspicuous statement that it is a duplicate issued in lieu of a lost or destroyed receipt, may be issued upon compliance with the conditions set out in paragraph 2 of this section.</p>
Affidavit of loss or destruction of receipts.	<p><i>Par. 2.</i>—Before issuing such duplicate receipt the licensed warehouseman shall require the depositor or other person applying therefor to make and file with the warehouseman (a) an affidavit showing that he is lawfully entitled to the possession of the original receipt, that he has not negotiated or assigned it, how the original receipt was lost or destroyed, and if lost, that diligent effort has been made to find the receipt without success, and (b) a bond in an amount double the value, at the time the bond is given, of the nuts represented by the lost or destroyed receipt. Such bond shall be in a form approved for the purpose by the Secretary, shall be conditioned to indemnify the warehouseman against any loss sustained by reason of the issuance of such duplicate receipt, and shall have as surety thereon (a) a surety company which is authorized to do business, and is subject to service of process in a suit on the bond, in the State in which the warehouse is located, or (b) at least two individuals who are residents of such State and each of whom owns real property therein having a value, in excess of all exemptions and encumbrances, to the extent of the amount of bond.</p>
Bond.	<p>SEC. 4. No receipt shall be issued by a licensed warehouseman except it be (1) in form prescribed by the chief of the bureau; (2) upon distinctive paper specified by him; (3) printed by a printer with whom the United States has a subsisting contract and bond for such printing; and (4) on paper manufactured by and procured from a manufacturer with whom the United States has a subsisting contract and bond for the manufacture of such paper.</p>
Form of receipt and printing thereof.	<p>SEC. 5. If a warehouseman deliver a part only of a lot of nuts for which he has issued a negotiable receipt under the act, he shall take up and cancel such receipt and issue a new receipt bearing the same lot number for the undelivered portion of the nuts. In addition to showing the information required by section 1 of this regulation, the new receipt shall also indicate the date and number of the receipt which it supersedes.</p>
Partial delivery of nuts.	<p>SEC. 6. Except as permitted by law or by these regulations, a warehouseman shall not deliver nuts for which he has issued a negotiable receipt until the receipt has been returned to him and canceled; and shall not deliver nuts for which he has issued a nonnegotiable receipt until such receipt has been returned to him, or he has obtained from the person lawfully entitled to such delivery, or his authorized agent, a written order therefor.</p>
Delivery on negotiable and non-negotiable receipts.	<p>SEC. 7. Each person to whom a nonnegotiable receipt is issued shall furnish the warehouseman with a statement in writing indicating the person or persons having power to authorize delivery of nuts covered by such receipt, together with the bona fide signature of such person or persons. No licensed warehouseman shall honor an order for the release of nuts covered by a nonnegotiable receipt until he has first ascertained that the person issuing the order has authority to order such release and that the signature of the releasing party is genuine; provided that if the holder of such nonnegotiable receipts agrees in writing to hold blameless both the warehouseman and bondsman for any loss that might result from improper delivery through receipt of an unauthorized telegram, deliveries may be made on receipt of telegraphic orders to be followed immediately with usual confirmation order.</p>
Signatures of persons authorized to direct delivery to be filed with warehouseman.	<p>SEC. 8. No warehouseman shall, directly or indirectly, by any means whatever, compel or attempt to compel the depositor of any nuts, stored in his licensed warehouse, to request the issuance of a receipt omitting the statement of grade.</p>
Warehouseman enjoined from compelling omission of grade on receipt.	

Regulation 5. Duties of Licensed Warehouseman

SECTION 1. No warehouseman shall accept nuts for storage until they have been inspected and approved by a licensed inspector. Nuts must be inspected by licensed inspector.

SEC. 2. *Paragraph 1.*—Each licensed warehouseman, when so requested in writing as to any nuts by the depositor thereof or lawful holder of the receipt covering such nuts, shall, to the extent to which in the exercise of due diligence he is able to procure such insurance, keep such nuts while in his custody as a licensed warehouseman insured in his own name or arrange for insurance otherwise to the extent so requested against loss or damage by fire, lightning, tornado, or flood. When insurance is not carried in the warehouseman's name the receipts shall show that the nuts are not insured by the warehouseman. Such insurance shall be covered by lawful policies issued by one or more insurance companies authorized to do such business, and subject to service of process in suits brought, in the State where the warehouse is located. If the warehouseman is unable to procure such insurance to the extent requested, he shall, orally or by telegraph or by telephone and at his own expense, immediately notify the person making the request of the fact. Nothing in this section shall be construed to prevent the warehouseman from adopting a rule that he will insure all nuts stored in his warehouse. Insurance against fire, lightning, tornado, or flood.

Par. 2.—Each warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 4, and at such other place as the chief of the bureau or his representative may from time to time designate a notice stating briefly the conditions under which the nuts will be insured against loss or damage by fire, lightning, tornado, or flood. Notice regarding insurance to be posted.

SEC. 3. Each warehouseman shall, in accordance with his contracts with insurance and bonding companies for the purpose of meeting the insurance and bonding requirements of these regulations, pay such premiums, permit such reasonable inspections and examinations, and make such reasonable reports as may be provided for in such contracts. Premiums, inspections, and reports.

SEC. 4. Each warehouseman shall promptly take such steps as may be necessary and proper to collect any moneys which may become due under contracts of insurance entered into by him for the purpose of meeting the requirements of these regulations, and shall, as soon as collected, promptly pay over to the persons concerned any portion of such moneys which they may be entitled to receive from him. Warehouseman to collect and pay over insurance.

SEC. 5. At the time nuts are received for storage the warehouseman and the depositor shall agree upon an amount to be allowed for shrinkage while the products are in storage, such shrinkage to include loss caused by natural drying out of the nuts, if any, and by rodents, but in no event shall the total amount of shrinkage exceed 5 per cent of the weight of the nuts at the time they entered storage. Agreement as to shrinkage.

SEC. 6. Each warehouseman shall at all times exercise such care in regard to nuts in his custody as a reasonably careful owner would exercise under the same circumstances and conditions. Walnuts, filberts, and/or pecans stored under licensed receipts between March 31 and December 31, of the year following the year in which such walnuts, filberts, and/or pecans were harvested must be stored in a licensed cold-storage warehouse or room. The warehouseman shall maintain an even temperature in such licensed space, which temperature shall not exceed 34° F. nor be less than 32° F. at any time while the walnuts, filberts, and/or pecans are in storage. Such licensed cold-storage warehouse or room shall be equipped with automatic recording thermometers, approved by the chief of the bureau or his representative, and continuous temperature records or charts shall be kept by the warehouseman. Care of nuts in licensed warehouse. Must maintain even temperature. Must keep records or charts showing temperatures.

SEC. 7. If at any time a warehouseman shall handle nuts other than for storage, or shall handle or store any other commodity, he shall so protect the same and otherwise exercise such care with respect to them as not to endanger the nuts in his custody as a licensed warehouseman, or impair his ability to meet his obligations Condition under which storage of nonlicensed products permissible.

and perform his duties under the act and these regulations. If the warehouseman shall store commodities other than those for which he is licensed, a nonlicensed receipt shall be issued. Under no circumstances shall any commodities for the storage of which the warehouseman is not licensed be stored if the storage of such commodities might adversely affect the commercial value of or impair the insurance on nuts covered by licensed receipts.

Records to be kept in safe place.

SEC. 8. Each warehouseman shall provide a metal fireproof safe, a fireproof vault, or a fireproof compartment in which he shall keep, when not in actual use, all records, books, and papers pertaining to the warehouse, including his current receipt book, copies of receipts issued, and canceled receipts, except that with the written consent of the chief of the bureau, or his representative, upon a showing by such warehouseman that it is not practicable to provide such fireproof safe, vault, or compartment, he may keep such records, books, and papers in some other place of safety approved by the chief of the bureau or his representative. All canceled receipts shall be arranged by the warehouseman in numerical order as soon as possible after their cancellation and shall be preserved in numerical order thereafter.

Warehouse charges.

SEC. 9. A warehouseman shall not make any unreasonable or exorbitant charge for service rendered. Before a license to conduct a warehouse is granted under the act the warehouseman shall file with the bureau a copy of his rules and a schedule of charges to be made by him if licensed. Before making any change in such rules or schedule of charges, he shall file with the bureau a statement in writing showing the proposed change and the reasons therefor. Each warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 4, and at such other places, accessible to the public, as the chief of the bureau or his representative may from time to time designate, a copy of his current rules and schedule of charges.

Business hours.

SEC. 10. *Paragraph 1.*—Each licensed warehouse shall be kept open for the purpose of receiving nuts for storage and delivering nuts out of storage every business day for a period of not less than six hours between the hours of 8 a. m. and 6 p. m., except as provided in paragraph 2 of this section, provided, that nothing contained in this regulation shall be construed to give authority for any warehouseman to accept walnuts, filberts, and/or pecans for storage except as indicated in regulation 4, section 1, paragraph 3. The warehouseman shall keep conspicuously posted on the door of the public entrance to his office and to his warehouse a notice showing the hours during which the warehouse will be kept open, except when such warehouse is kept open continuously from 8 a. m. to 6 p. m.

Closing of warehouse.

Par. 2.—In case the warehouse is not to be kept open as required by paragraph 1 of this section, the notice posted as prescribed in that paragraph shall state the period during which the warehouse is to be closed and the name of an accessible person, with the address where he is to be found, who shall be authorized to deliver nuts stored in such warehouse, upon lawful demand by the depositor thereof or the holder of the receipt therefor, as the case may be.

Each package to be marked and each lot to be tagged.

SEC. 11. Each warehouseman shall, upon acceptance of any lot of nuts in packages for storage, immediately stencil or mark an identification number or mark on each such package in the lot and attach to such lot a tag of good quality which shall identify the lot. Such tag shall show the lot number, the identification mark on each package, the number of the receipt issued to cover such nuts, the number of sacks in the lot, the kind and variety of the nuts, the grade if determined and the gross weight of the nuts at the time they entered storage.

Arrangement and tagging of stored nuts.

SEC. 12. Each warehouseman shall so store each lot of nuts for which a receipt under the act has been issued that the tag thereon, required by section 11 of this regulation, is visible and readily accessible, and shall arrange all packages in his licensed warehouse so as to permit an accurate count thereof and to facilitate sampling of the nuts and inspection for condition.

SEC. 13. Each licensed warehouseman shall accept all nuts for storage and shall deliver out of storage all bulk nuts, other than specially binned or sacked nuts, in accordance with the grade of such nuts as determined by a person duly licensed to grade such nuts and to certificate the grade thereof, and in accordance with the weights of such nuts as determined by a person duly licensed to weigh such nuts and to certificate the weight thereof, under the act and these regulations, and in accordance with the agreement regarding shrinkage as shown by the terms of the receipt.

Grades and weights according to which bulk nuts shall be accepted and delivered.

SEC. 14. Upon the acceptance by a licensed warehouseman, for storage in his licensed warehouse, of any lot of bulk nuts the identity of which is to be preserved, he shall store, or cause to be stored, such nuts in an individual bin or compartment designated by lot or cargo numbers, or by letters, numbers or other clearly distinguishable words or signs, permanently and securely affixed thereto, or shall so mark the container or containers of such nuts, or so place the nuts in the warehouse, that their identity will not be lost during the storage period.

Bulk storage of identity preserved nuts.

SEC. 15. Except as may be provided by law or these regulations, each licensed warehouseman, (a) upon proper presentation of a receipt for any bulk, other than specially binned nuts, and upon payment or tender of all advances and legal charges, shall deliver to such depositor or lawful holder of such receipt nuts of the grade and quantity specified in such receipt, after making due allowance for such shrinkage as the receipt stipulates, and (b) upon proper presentation of a receipt for any nuts, the identity of which was to have been preserved during the storage period, and upon payment or tender of all advances and legal charges, shall deliver to the person lawfully entitled thereto, the identical nuts stored in his licensed warehouse.

Delivery of bulk nuts.

SEC. 16. Each licensed warehouseman shall use for his licensed warehouse a system of accounts, approved for the purpose by the chief of the bureau, which shall show for each lot of nuts, the name of the depositor, the weight of the nuts, the number of packages in each lot, the grade when grade is required to be, or is, ascertained, the location, the dates received for and delivered out of storage and the receipts issued and canceled, a separate record for each depositor and such accounts shall include a detailed record of all moneys received and disbursed and of all effective insurance policies. In the case of nuts stored in packages, the tag number mentioned in section 11 of this regulation shall be shown.

System of accounts.

SEC. 17. Each licensed warehouseman shall, from time to time, when requested by the chief of the bureau, make such reports, on forms prescribed and furnished for the purpose by the bureau, concerning the condition, contents, operation, and business of the warehouse, as the chief of the bureau may require.

Reports.

SEC. 18. Each warehouseman, when requested by the bureau, shall forward his canceled receipts for auditing to such field offices of the bureau as may be designated from time to time. For the purpose of this section, only such portion as the bureau may designate of each canceled receipt, numbered to correspond with the actual receipt number, need be submitted.

Canceled receipts to be forwarded to bureau for auditing.

SEC. 19. Each warehouseman shall keep on file, as a part of the records of the warehouse, for such period as may be prescribed by the chief of the bureau for each kind of report, an exact copy of each such report submitted by such warehouseman under this regulation.

Copies of reports to be kept.

SEC. 20. Each licensed warehouseman shall permit any officer or agent of the Department of Agriculture, authorized by the Secretary for the purpose, to enter and inspect or examine, on any business day during the usual hours of business, any warehouse for the conduct of which such warehouseman holds a license, the office thereof, the books, records, papers, and accounts relating thereto, and the contents thereof, and such warehouseman shall furnish such officer or agent the assistance necessary to enable him to make any inspection or examination under this section.

Inspections and examinations of warehouses.

Inspection of weighing, testing, and measuring apparatus.

SEC. 21. The apparatus used for determining the weight, quantity, or quality stated in a receipt or certificate shall be subject to examination by any officer or agent of the Department of Agriculture employed for such purpose. If the bureau shall disapprove such apparatus, it shall not thereafter, unless such disapproval be withdrawn, be used in ascertaining the weight, quantity, or quality of nuts for the purposes of the act and these regulations.

Warehouse to be kept clean.

SEC. 22. Each licensed warehouseman shall keep his warehouse clean and free from trash, dust, rubbish, and scattered nuts, and shall provide bins for the storage of nuts in bulk. He shall also exercise every precaution to keep his warehouse free of rats or insects that might cause damage or injury to nuts in storage.

Signs as to tenancy.

SEC. 23. *Paragraph 1.*—Each licensed warehouseman shall, during the life of his license, maintain suitable signs on the licensed property in such a manner as will give ample notice of his tenancy of all buildings or parts thereof included in his license.

Design and wording.

Par. 2.—Such signs shall be of appropriate size and design and shall include the following: (a) The name of the licensee, (b) the license number of the warehouse, (c) whether the warehouseman is owner or lessee, and (d) the words "Public Warehouse".

Other wording permitted.

Par. 3.—Such other wording or lettering may appear in the sign or signs not inconsistent with the purpose of the act and these regulations, subject to the approval of the bureau.

Removal of signs at expiration or suspension of license.

Par. 4.—Upon the expiration of his license, or during periods of suspension thereof, the warehouseman shall immediately remove such signs or portions thereof as may convey the impression that the warehouse is licensed.

Signs in conflict with tenancy to be removed.

Par. 5.—The warehouseman shall not permit any signs to remain on his licensed property which might lead to confusion as to the tenancy.

Excess storage.

SEC. 24. If at any time a warehouseman shall store nuts in his licensed warehouse in excess of the capacity thereof determined in accordance with paragraph 1 of section 2 of regulation 3, such warehouseman shall so arrange the nuts as not to obstruct free access thereto and the proper use of sprinkler or other fire-protection equipment provided for such warehouse, and shall immediately notify the chief of the bureau of such excess storage and arrangement thereof.

Removal of nuts from storage.

SEC. 25. Except as may be permitted by law or these regulations, a licensed warehouseman shall not remove any nuts for storage from the licensed warehouse or the part thereof designated in the receipt for such nuts until such receipt is first surrendered and canceled. If it becomes absolutely necessary to remove the nuts prior to the surrender of the receipts in order to protect the interests of holders of the receipts, the warehouseman shall notify the chief of the bureau of such removal and the necessity therefor.

Storage of wet nuts prohibited.

SEC. 26. A warehouseman shall not under any circumstances accept for storage any nuts in his licensed warehouse that are wet, improperly cured or otherwise of a condition rendering them unsuitable for storage.

Nuts to be so stored as not to damage.

SEC. 27. A warehouseman shall not handle or store nuts in such manner as will injure or damage them or in any part of the warehouse in which they are likely to be injured or damaged by excessive moisture, or otherwise.

Warehouseman shall give notice of nuts out of condition.

SEC. 28. *Paragraph 1.*—If the licensed warehouseman, with the approval of the licensed inspector, shall determine that any nuts are deteriorating and that such deterioration can not be stopped, the licensed warehouseman shall give immediate notice of the fact, in accordance with paragraphs 2 and 3 of this section.

Contents of notice.

Par. 2.—Such notice shall state (a) the warehouse in which the nuts are stored; (b) the quantity, kind, and grade of the nuts at the time the notice is given; (c) the actual condition of the nuts as nearly as can be ascertained, and the reason, if known, for such condition; (d) the outstanding receipts covering the amount of nuts out of condition, giving the number and date of each such receipt and the quantity, the kind, and grade of the nuts as stated in each such receipt; and (e) that such nuts will be delivered upon the return and cancellation of the receipts therefor.

Par. 3.—A copy of such notice shall be delivered in person or shall be sent by mail (a) to the persons holding the receipts, if known to the licensed warehouseman; (b) to the person who originally deposited the nuts; (c) to any other persons known by the licensed warehouseman to be interested in the nuts; and (d) to the chief of the bureau. If the holders of the receipts and the owners of the nuts are known to the licensed warehouseman and can not, in the regular course of the mails, be reached within 12 hours, the licensed warehouseman shall, whether or not requested so to do, also immediately notify such persons by telegraph or telephone at their expense.

Persons to whom notice shall be sent.

Public notice shall also be given by posting a copy of such notice at the place where the warehouseman is required to post his license.

Notice to be posted.

Par. 4.—Any person, interested in any nuts or the receipt covering such nuts stored in a licensed warehouse, may, in writing, notify the licensed warehouseman, conducting such licensed warehouse, of the fact of his interest, and such licensed warehouseman shall keep a record of the fact. If such person request in writing that he be notified regarding the condition of any such nuts and agree to pay the cost of any telegraph or telephone toll charge, such licensed warehouseman shall notify such person in accordance with such request.

Record of persons interested in receipt of nuts.

Par. 5.—Nothing contained in this section shall be construed as relieving the licensed warehouseman from properly caring for any nuts after notification of their condition in accordance with this section.

Warehouseman not relieved from properly caring for nuts at all times.

SEC. 29. If the nuts, advertised in accordance with the requirements of section 28 of this regulation, have not been removed from storage by the owner thereof within 5 days from the date of notice of their being out of condition, the licensed warehouseman in whose licensed warehouse such nuts are stored may sell the same at public auction at the expense and for the account of the owner after giving 10 days' notice in the manner specified in paragraph 3 of section 28 of this regulation.

Nuts may be sold at public auction after notice.

SEC. 30. Each warehouseman shall faithfully perform his obligation as a warehouseman under the laws of the State in which he is conducting his licensed warehouse and such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of nuts in such warehouse.

Warehouseman must comply with State law and his contracts.

SEC. 31. If at any time a fire shall occur at or within any licensed warehouse, it shall be the duty of the warehouseman to report immediately by wire to the chief of the bureau the occurrence of such fire and the extent of damage.

Fire loss to be reported by wire.

SEC. 32. When a grade or weight certificate has been issued by a licensed grader or weigher, a copy of such certificate shall be filed with the warehouseman in whose warehouse the nuts covered by such certificate are stored, and such certificate shall become a part of the records of the licensed warehouseman.

Grade or weight certificate to be filed.

Regulation 6. Fees

SECTION 1. There shall be charged, assessed, and collected a fee of \$10 for each warehouseman's license or any amendment thereto, and a fee of \$3 for each license issued to a sampler, grader, weigher, or an inspector.

Warehouse license fees.

SEC. 2. There shall be charged, assessed, and collected for each original examination or inspection of a warehouse under the act, when such examination or inspection is made upon application of a warehouseman, a fee at the rate of \$1 for each 100 tons of peanuts and/or \$4 for each 1,000 hundredweight of walnuts, filberts, or pecans of the storage capacity, or fraction thereof, determined in accordance with regulation 3, section 2, paragraph 1, but in no case less than \$10 nor more than \$200, and, for each reexamination or reinspection applied for by such warehouseman, a fee based on the extent of the reexamination or reinspection, proportioned to but not greater than that prescribed for the original examination or inspection.

Warehouse inspection fees.

SEC. 3. Before any warehouseman's license or amendment thereto or any sampler's, grader's, weigher's, or inspector's license

Advance deposit.

is granted, or an original examination or inspection, or reexamination or reinspection, applied for by a warehouseman, is made, pursuant to these regulations, the warehouseman and/or sampler, grader, weigher or inspector, shall deposit with the bureau the amount of the fee prescribed therefor. Such deposit shall be made in the form of a check, certified if required by the bureau, draft, or post office or express money order, payable to the order of "U. S. Department of Agriculture."

Return of excess deposit.

SEC. 4. The disbursing clerk of the United States Department of Agriculture shall hold in his custody each advance deposit made under this regulation until the fee, if any, is assessed and he is furnished by the bureau with a statement showing the amount thereof and against whom assessed. Any part of such advance deposit which is not required for the payment of any fee assessed shall be returned to the party depositing the same.

Regulation 7. Licensed Graders, Licensed Weighers, and Licensed Inspectors

Licensed graders, licensed weighers, and licensed inspectors; application forms.

SECTION 1. *Paragraph 1.*—Application for licenses to grade, to weigh or to inspect nuts under the act shall be made to the chief of the bureau on forms furnished for the purpose by him.

Contents.

Par. 2.—Each such application shall be in English, shall be signed by the applicant, shall be verified by him under oath or affirmation administered by a duly authorized officer and shall contain or be accompanied by (a) satisfactory evidence that he has passed his twenty-first birthday; (b) the name and location of a warehouse or warehouses licensed, or for which application for license has been made, under the act in which nuts sought to be graded, weighed, and inspected under such license are or may be stored; (c) a statement from the warehouseman conducting such warehouse showing whether or not the applicant is competent and is acceptable to such warehouseman for the purpose; (d) satisfactory evidence that he has had at least one year's experience in the kind of service for which a license is sought or the equivalent of such experience, and that he is competent to perform such services, except in the case of applicants for weighers' licenses one month's experience will be sufficient; (e) a statement by the applicant that he agrees to comply with and abide by the terms of the act and these regulations so far as the same may relate to him; and (f) such other information as the chief of the bureau may deem necessary, provided, that when an application for a license to grade nuts is filed by a person who does not intend to grade nuts for any particular licensed warehouseman but who does intend to grade nuts stored or to be stored in a licensed warehouse and to issue grade certificates therefor, as provided for by the act and these regulations, independent of the warehouse receipts issued to cover such nuts, it shall not be necessary to furnish such statement as is required by subdivision (c) of this paragraph.

Applicant must furnish additional information if required.

Par. 3.—The applicant shall at any time furnish such additional information as the Secretary or the chief of the bureau shall find to be necessary to the consideration of his application by the Secretary.

Combined grader's, weigher's, and inspector's application. Examination.

Par. 4.—A single application may be made by any person for a license to grade, to weigh, and to inspect upon complying with all the requirements of this section.

SEC. 2. Each applicant for a license as a grader, a weigher, or an inspector and each licensed grader, licensed weigher, or licensed inspector shall, whenever requested by an authorized agent of the Department of Agriculture designated by the chief of the bureau for the purpose, submit to an examination or test to show his ability properly to perform the duties for which he is applying for license or for which he has been licensed.

Posting of license.

SEC. 3. Each grader shall keep his license conspicuously posted in the office where all or most of the grading is done, and each weigher or inspector shall keep his license conspicuously posted in the warehouse office or in such place as may be designated for the purpose by the chief of the bureau.

SEC. 4. Each grader, each weigher, and each inspector when requested, shall, without discrimination, as soon as practicable, and upon reasonable terms grade, weigh, or inspect and certificate the grade, weight, or condition for storage of nuts stored or to be stored in a licensed warehouse for which he holds a license, if such nuts be offered to him under such conditions as permit proper inspection and the determination of the grade, weight or condition thereof, as the case may be. Each such grader, weigher or inspector shall give preference to persons who request his services as such over persons who request his services in any other capacity. No grade, weight, or inspection certificate shall be issued under the act for nuts not stored or not to be stored in a licensed warehouse.

Duties of grader,
weigher, and in-
spector.

SEC. 5. Each grade certificate issued under the act by a licensed grader shall be in a form approved for the purpose by the chief of the bureau and shall embody within its written or printed terms (a) the caption "United States Warehouse Act, Nut Grade Certificate"; (b) whether it is an original, a duplicate or other copy; (c) the name and location of the warehouse in which the nuts are or are to be stored; (d) the date of the certificate; (e) the location of the nuts at the time of grading; (f) the identification number or mark of each package of nuts, if in packages, given in accordance with regulation 5, section 11; (g) the grade or other class of each package or lot of nuts covered by the certificate, in accordance with regulation 8 as far as applicable, and the standard or description in accordance with which the grade is made; (h) the approximate amount of nuts covered by the certificate; (i) that the certificate is issued by a licensed grader under the United States warehouse act and regulations thereunder; and (j) the signature of the licensed grader. In addition, the grade certificate may include any other matter not inconsistent with the act or these regulations, provided the approval of the bureau is first secured.

Grade certificate.

SEC. 6. Each weight certificate issued under the act by a licensed weigher shall be in a form approved for the purpose by the chief of the bureau, and shall embody within its written or printed terms (a) the caption "United States Warehouse Act, Nut Weight Certificate"; (b) whether it is an original, a duplicate or other copy; (c) the name and location of the warehouse in which the nuts are or are to be stored; (d) the date of the certificate; (e) the location of the nuts at the time of weighing; (f) the identification number or mark of each package of nuts, if in packages, given in accordance with regulation 5, section 11; (g) the gross weight of the nuts; (h) that the certificate is issued by a licensed weigher, under the United States warehouse act and the regulations thereunder; and (i) the signature of such licensed weigher. In addition, the weight certificate may include any other matter not inconsistent with the act or these regulations, provided the approval of the bureau is first secured.

Weight certifi-
cate.

SEC. 7. Each inspection certificate issued under the act by a licensed inspector shall be in a form approved for the purpose by the chief of the bureau, and shall embody within its written or printed terms (a) the caption "United States Warehouse Act, Nut Inspection Certificate"; (b) whether it is an original, a duplicate, or other copy; (c) the name and location of the warehouse in which the nuts are or are to be stored; (d) the date of the certificate; (e) the location of the nuts at the time of inspection; (f) the identification number or mark of each package of nuts, if in packages, given in accordance with regulation 5, section 11; (g) the condition of the nuts for storage at the time of inspection; (h) that the certificate is issued by a licensed inspector, under the United States warehouse act and regulations thereunder; (i) a blank space designated for the purpose in which may be stated any general remarks on the condition of the nuts; and (j) the signature of such licensed inspector. In addition, the inspection certificate may include any other matter not inconsistent with the act or these regulations, provided the approval of the bureau is first secured.

Inspection certifi-
cate.

Combined grade, weight, and inspection certificate.

SEC. 8. The grade, weight, and condition of any nuts, ascertained by a grader, a weigher, and an inspector may be stated on a certificate meeting the combined requirements of sections 5, 6, and 7 of this regulation, if the form of such certificate shall have been approved for the purpose by the chief of the bureau.

Copies of certificates to be kept.

SEC. 9. Each grader, each weigher, and each inspector shall keep for a period of one year in a place accessible to persons financially interested a copy of each certificate issued by him under these regulations and shall file a copy of each such certificate with the warehouse in which the nuts covered by the certificate are stored.

Licensees to permit and assist in examination.

SEC. 10. Each grader, each weigher, and each inspector shall permit any officer or agent of the Department of Agriculture, authorized by the Secretary for the purpose, to inspect or examine, on any business day during the usual hours of business, his books, papers, records, and accounts relating to the performance of his duties under the act and these regulations, and shall, with the consent of the warehouseman concerned, assist any such officer or agent in the inspection or examination of records mentioned in section 16 of regulation 5, as far as any such inspection or examination relates to the performance of the duties of such grader, weigher, or inspector under the act and these regulations.

Reports.

SEC. 11. Each grader, each weigher, and each inspector shall, from time to time, when requested by the chief of the bureau, make reports on forms furnished for the purpose by the bureau, bearing upon his activities as such grader, weigher, or inspector.

Suspension, revocation, or cancellation of grader's, weigher's, and inspector's licenses.

SEC. 12. Pending investigation the Secretary may, whenever he deems necessary, suspend the license of a grader, weigher, or inspector temporarily without hearing. Upon a written request and a satisfactory statement of reasons therefor, submitted by the grader, weigher, or inspector, the Secretary may, without hearing, suspend or cancel the license issued to such grader, weigher, or inspector. The Secretary may, after opportunity for hearing, when possible, has been afforded in the manner prescribed in this section, suspend or cancel a license issued to a grader, weigher, or inspector, when such grader, weigher, or inspector has in any manner become incompetent or incapacitated to perform the duties of a licensed grader, weigher, or inspector. As soon as it shall come to the attention of a licensed warehouseman that any of the conditions mentioned in this section exist, it shall be the duty of such warehouseman to notify in writing the chief of the bureau. Before the license of any grader, weigher, or inspector is suspended or revoked pursuant to section 12 of the act, such grader, weigher, or inspector shall be furnished by the Secretary, or by an official of the Department of Agriculture designated for the purpose, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 10, section 4.

Return of suspended, revoked, or canceled grader's, weigher's, and inspector's licenses.

SEC. 13. *Paragraph 1.*—In case a license issued to a grader, weigher, or inspector is suspended, revoked, or canceled by the Secretary, such license shall be returned to the Secretary. At the expiration of any period of suspension of such license, unless in the meantime it be revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, and it shall be returned to the licensed grader, licensed weigher, or licensed inspector to whom it was originally issued, and it shall be posted as prescribed in section 3 of this regulation, provided, that in the discretion of the chief of the bureau, a new license may be issued without reference to such suspension.

License terminates with warehouse license.

Par. 2.—Any license issued under the act and these regulations to a grader, weigher, or inspector shall automatically terminate as to any licensed warehouse whenever the license of such warehouse shall be revoked or canceled. Thereupon the license of such grader, weigher, or inspector shall be returned to the Secretary. In case such license shall apply to other warehouses the Secretary shall issue

to him a new license, omitting the names of the warehouses covering which licenses have been so revoked or canceled. Such new licenses shall be posted as prescribed in section 3 of this regulation.

New licenses,
when issued.

SEC. 14. Upon satisfactory proof of the loss or destruction of a license issued to a licensed grader, licensed weigher, or licensed inspector, a duplicate thereof may be issued under the same or a new number, in the discretion of the Secretary.

Lost or destroyed
grader's, weigh-
er's, or inspec-
tor's licenses.

SEC. 15. No person shall in any way represent himself to be a grader, weigher, or inspector, licensed under the act unless he holds an unsuspended, unrevoked, and uncanceled license issued under the act.

Unlicensed grad-
ers, weighers, and
inspectors must
not represent
themselves as li-
censed.

Regulation 8. Nut Grading

SECTION 1. Whenever the variety, grade, or condition of nuts is required to be or is stated for the purposes of this act and these regulations, it shall be stated in accordance with this regulation.

Variety, grade,
and condition to
be stated in ac-
cordance with
regulations.

SEC. 2. Until such time as official peanut, walnut, filbert and/or pecan grades of the United States are in effect, the variety, grade, and condition of nuts shall be stated as far as applicable (a) in accordance with the State standards, if any, established in the State in which the warehouse is located, (b) in the absence of any State standards, in accordance with the standards, if any, adopted by any peanut, walnut, filbert or pecan organization or by the peanut, walnut, filbert or pecan trade generally in the locality in which the warehouse is located, subject to the disapproval of the chief of the bureau, or (c) in the absence of the aforesaid standards in accordance with any standards approved by the chief of the bureau.

Standards to be
used.

SEC. 3. Whenever the variety, grade, or condition of the peanuts is stated for the purposes of this act and these regulations, the terms used shall be correctly applied and shall be so selected as not to convey a false impression of the peanuts. In case of doubt as to the variety, grade, or condition of a given lot of peanuts a determination shall be made of such facts by drawing at least 6 samples of 5 pounds each, fairly representative of the contents of the car or 2 samples of 2 pounds each fairly representative of the contents of the wagon from the various parts of the carload or wagonload of peanuts offered for storage. These samples shall be thoroughly mixed and after being so mixed, from this mixture by quartering, not less than 100 grams shall be taken, which, after being hand shelled (in the case of varieties used for shelling purposes exclusively) shall constitute the sample for the purpose of determining the grade.

Statement of va-
riety, grade, and
condition of pea-
nuts.

In the classification or grading of Virginia-type peanuts or peanuts which may be sold to the consuming trade in the shell, the same method of sampling shall be used, except that samples of one-half pound shall be taken from 10 per cent of the sacks of peanuts from various parts of the lot offered for storage, and this sample shall constitute the sample for the purpose of determining the grade without shelling.

SEC. 4. Whenever the kind, grade, or other class or condition of walnuts, filberts, or pecans is stated for the purposes of this act and these regulations, the terms used shall be correctly applied and shall be so selected as not to convey a false impression of the walnuts, filberts, or pecans. In case of doubt as to the kind, grade or condition of a given lot of walnuts, filberts, or pecans, a determination shall be made of such facts by drawing samples fairly representative of the contents of the lot of walnuts, filberts, or pecans offered for storage, the method of drawing such samples and the adequacy of the samples to be determined by representatives of the bureau.

Statement of
kind, grade, and
condition.

Regulation 9. Appeal of Grades

SECTION 1. *Paragraph 1.*—If a question arises as to whether the kind, grade, or condition of nuts was correctly stated in a receipt or inspection certificate issued under the act or these regulations, the warehouseman concerned or any person financially interested in the nuts involved may, after reasonable notice to the other party,

Method of appeal
in case of dispute.

submit the question to the chief of the bureau, who may appoint a committee to make a determination. The decision of the committee shall be final, unless the chief shall direct a review of the question. Immediately upon making its decision, the committee shall issue a certificate embodying its findings to the appellants and to the licensee or licensees involved.

When new receipt or certificate shall be issued.

Par. 2.—If the decision of the committee be that the kind, grade, or condition was not correctly stated, the receipt or certificate involved shall be returned to and be canceled by the licensee who issued it, and the licensee shall issue in lieu thereof a new receipt or certificate embodying therein the statement of kind, grade, or condition in accordance with the findings of the committee.

Charging appeal costs.

Par. 3. All necessary and reasonable expenses of such determination shall be borne by the losing party, unless the chief of the bureau or his representative shall decide that the expense shall be prorated between the parties.

Regulation 10. Miscellaneous

Regulations applicable to State warehouses.

SECTION 1. Every person applying for a license or licensed under section 9 of the act shall, as such, be subject to all portions of these regulations except regulation 2, section 3, so far as they may relate to warehousemen. If there is a law of any State providing for a system of warehouses owned, operated, or leased by such State, a person applying for a license under section 9 of the act, to accept the custody of nuts and to store the same in any of said warehouses, may, in lieu of a bond or bonds, complying with regulation 3, sections 1 and 2, file with the Secretary a single bond meeting the requirements of the act and these regulations, in such form and in such amount not less than \$5,000, as he shall prescribe, to insure the performance by such person with respect to the acceptance of the custody of nuts and their storage in the warehouses in such system for which licenses are or may be issued, of his obligations arising during the periods of such licenses, and in addition, if desired by the applicant, during the periods of any modifications or extensions thereof. In fixing the amount of such bond consideration shall be given, among other appropriate factors, to the character of the warehouses involved, their actual or contemplated capacity, the bonding requirements of the State, and its liability with respect to such warehouses. If the Secretary shall find the existence of conditions warranting such action, there shall be added to the amount of the bond so fixed a further amount, fixed by him, to meet such conditions.

Publications.

SEC. 2. Publications under the act and these regulations shall be made in service and regulatory announcements of the Bureau of Agricultural Economics, and such other media as the chief of that bureau may from time to time designate for the purposes.

Violations of act and the regulations to be reported.

SEC. 3. Every person licensed under the act shall immediately furnish the chief of the bureau any information which comes to the knowledge of such persons tending to show that any provision of the act or these regulations has been violated.

Procedure in hearings.

SEC. 4. For the purpose of a hearing under the act and these regulations, except regulation 9, the licensee involved shall be allowed a reasonable time, fixed by the Secretary or by an official of the Department of Agriculture designated by him for the purpose, within which affidavits and other proper evidence may be submitted. If requested by the licensee within such time, on oral hearing, of which reasonable notice shall be given, shall be held before, and at a time and place fixed by, the Secretary or an official of the Department of Agriculture designated by him for the purpose. The testimony of the witnesses at such oral hearing shall be upon oath or affirmation administered by the official before whom the hearing is held, when required by him. Such oral hearing may be adjourned by him from time to time. After reasonable notice to all parties concerned the deposition of any witness may be taken at a time and place and before a person designated for the purpose by the Secretary or an official of the Department of

Agriculture authorized by the Secretary. Every written entry in the records of the Department of Agriculture made by an officer or employee thereof in the course of his official duty, which is relevant to the issue involved in a hearing, shall be admissible as prima facie evidence of the facts stated therein without the production of such officer or employee. Copies of all papers and all the evidence submitted or considered in such hearing shall be made a part of the records of the Department of Agriculture. The records and, when there has been an oral hearing other than by the Secretary, the recommendation of the official holding such oral hearing shall be transmitted to the Secretary for his consideration. Each party shall pay all expenses contracted by him in connection with any hearing under this section.

SEC. 5. Nothing in these regulations shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, or inspectors, nor shall these regulations be construed so as to limit the operation of any statute of the United States relating to warehouses, warehousemen, or inspectors now in force in the District of Columbia, or in any Territory or other place under the exclusive jurisdiction of the United States. No conflict with State or Federal law.

SEC. 6. Any amendment to, or revision of, these regulations, unless otherwise stated therein, shall apply in the same manner to persons holding licenses at the time it becomes effective as it applies to persons thereafter licensed under the act. Amendments.

GENERAL REGULATIONS UNDER THE UNITED STATES WAREHOUSE ACT

Regulation 1. Combination Warehouses

SECTION 1. A license may be issued for the storage of two or more agricultural products in a single warehouse. Where such a license is desired, a single application, inspection, bond, record, report or other paper, document or proceeding relating to such warehouse, shall be sufficient unless otherwise directed by the chief of the bureau.

SEC. 2. Where such license is desired, the amount of the bond, net assets, and inspection and license fees shall be determined by the chief of the bureau in accordance with the regulations applicable to the particular agricultural product which would require the largest bond and the greatest amount of net assets and of fees if the full capacity of the warehouse was used for its storage.

UNITED STATES WAREHOUSE ACT

[As amended July 25, 1919, and February 23, 1923]

That this Act shall be known by the short title of "United States warehouse Act."

SEC. 2. That the term "warehouse" as used in this Act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which any agricultural product is or may be stored. As used in this Act, "person" includes a corporation or partnership or two or more persons having a joint or common interest; "warehouseman" means a person lawfully engaged in the business of storing agricultural products; and "receipt" means a warehouse receipt.

SEC. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying according to grade and otherwise, weighing, and certification of agricultural products; upon application to him by any person applying for license to conduct a warehouse under this Act, to inspect such warehouse or cause it to be inspected; at any time, with or without application to him, to inspect or cause to be inspected all warehouses licensed under this Act; to determine whether warehouses for which licenses are applied for or have been issued under this Act are suitable for the proper storage of any agricultural product or products; to classify warehouses licensed or applying for a license in accordance with their ownership, location, surroundings, capacity, conditions, and other qualities, and as to the kinds of licenses issued or that may be issued

for them pursuant to this Act; and to prescribe, within the limitations of this Act, the duties of the warehousemen conducting warehouses licensed under this Act with respect to their care of and responsibility for agricultural products stored therein.

SEC. 4. That the Secretary of Agriculture is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in accordance with this Act and such rules and regulations as may be made hereunder: *Provided*, That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which a license is applied for, and that such warehouseman agree, as a condition to the granting of the license, to comply with and abide by all the terms of this Act and the rules and regulations prescribed hereunder.

SEC. 5. That each license issued under Sections 4 and 9 of this Act shall terminate as therein provided, or in accordance with the terms of this Act and the regulations thereunder, and may from time to time be modified or extended by a written instrument.

SEC. 6. That each warehouseman applying for a license to conduct a warehouse in accordance with this Act shall, as a condition to the granting thereof, execute and file with the Secretary of Agriculture a good and sufficient bond to the United States to secure the faithful performance of his obligations as a warehouseman under the laws of the State, District, or Territory in which he is conducting such warehouse, as well as under the terms of this Act and the rules and regulations prescribed hereunder, and of such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of agricultural products in such warehouse. Said bond shall be in such form and amount, shall have such surety or sureties, subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this Act, and may, in the discretion of the Secretary of Agriculture, include the requirements of fire insurance. Whenever the Secretary of Agriculture shall determine that a bond approved by him is, or for any cause has become, insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this section, and unless the same be given within the time fixed by a written demand therefor the license of such warehouseman may be suspended or revoked.

SEC. 7. That any person injured by the breach of any obligation to secure which a bond is given, under the provisions of Sections 6 or 9, shall be entitled to sue on the bond in his own name in any court of competent jurisdiction to recover the damages he may have sustained by such breach.

SEC. 8. That upon the filing with and approval by the Secretary of Agriculture of a bond, in compliance with this Act, for the conduct of a warehouse, such warehouse shall be designated as bonded hereunder; but no warehouse shall be designated as bonded under this Act, and no name or description conveying the impression that it is so bonded, shall be used, until a bond, such as provided for in Section 6, has been filed with and approved by the Secretary of Agriculture, nor unless the license issued under this Act for the conduct of such warehouse remains unsuspended and unrevoked.

SEC. 9. That the Secretary of Agriculture may, under such rules and regulations as he shall prescribe, issue a license to any person not a warehouseman to accept the custody of agricultural products and to store the same in a warehouse or warehouses owned, operated, or leased by any State, upon condition that such person agree to comply with and abide by the terms of this Act and the rules and regulations prescribed hereunder. Each person so licensed shall issue receipts for the agricultural products placed in his custody, and shall give bond, in accordance with the provisions of this Act and the rules and regulations hereunder affecting warehousemen licensed under this Act, and shall otherwise be subject to this Act and such rules and regulations to the same extent as is provided for warehousemen licensed hereunder.

SEC. 10. That the Secretary of Agriculture shall charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this Act when such examination or inspection is made upon application of a warehouseman, and a fee not exceeding \$2 per annum for each license or renewal thereof issued to a warehouseman under this Act. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts.

SEC. 11. That the Secretary of Agriculture may upon presentation of satisfactory proof of competency, issue to any person a license to inspect, sample, or classify any agricultural product or products, stored or to be stored in a ware-

house licensed under this Act, according to condition, grade, or otherwise and to certificate the condition, grade, or other class thereof, or to weigh the same and certificate the weight thereof, or both to inspect, sample, or classify and weigh the same and to certificate the condition, grade, or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this Act and of the rules and regulations prescribed hereunder so far as the same relate to him.

SEC. 12. That any license issued to any person to inspect, sample, or classify or to weigh any agricultural product or products under this Act may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to inspect, sample, or classify or to weigh any agricultural product or products correctly, or has violated any of the provisions of this Act or of the rules and regulations prescribed hereunder, so far as the same may relate to him; or that he has used his license or allowed it to be used for any improper purpose whatever. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

SEC. 13. That every warehouseman conducting a warehouse licensed under this Act shall receive for storage therein, so far as its capacity permits, any agricultural product of the kind customarily stored therein by him which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities.

SEC. 14. That any person who deposits agricultural products for storage in a warehouse licensed under this Act shall be deemed to have deposited the same subject to the terms of this Act and the rules and regulations prescribed hereunder.

SEC. 15. That any fungible agricultural product stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act shall be inspected and graded by a person duly licensed to grade the same under this Act.

SEC. 16. That every warehouseman conducting a warehouse licensed under this Act shall keep the agricultural products therein of one depositor so far separate from agricultural products of other depositors, and from other agricultural products of the same depositor for which a separate receipt has been issued, as to permit at all times the identification and redelivery of the agricultural products deposited; but if authorized by agreement or by custom, a warehouseman may mingle fungible agricultural products with other agricultural products of the same kind and grade, and shall be severally liable to each depositor for the care and redelivery of his share of such mass, to the same extent and under the same circumstances as if the agricultural products had been kept separate, but he shall at no time while they are in his custody mix fungible agricultural products of different grades.

SEC. 17. That for all agricultural products stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act original receipts shall be issued by the warehouseman conducting the same, but no receipts shall be issued except for agricultural products actually stored in the warehouse at the time of the issuance thereof.

SEC. 18. That every receipt issued for agricultural products stored in a warehouse licensed under this Act shall embody within its written or printed terms (a) the location of the warehouse in which the agricultural products are stored; (b) the date of issue of the receipt; (c) the consecutive number of the receipt; (d) a statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order; (e) the rate of storage charges; (f) a description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification and the weight of such bales or packages; (g) the grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made: *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under authority of law: *Provided further*, That until such official standards of the United States for any agricultural product or products have been fixed and promulgated, the grade or other class thereof may be stated in accordance with any recognized standard or in accordance with such rules and regulations not inconsistent herewith as may be prescribed by the

Secretary of Agriculture; (h) a statement that the receipt is issued subject to the United States warehouse Act and the rules and regulations prescribed thereunder; (i) if the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership; (j) a statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien: *Provided*, That if the precise amount of such advances made or of such liabilities incurred be at the time of the issue of the receipt unknown to the warehouseman or his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof shall be sufficient; (k) such other terms and conditions within the limitations of this Act as may be required by the Secretary of Agriculture; and (l) the signature of the warehouseman, which may be made by his authorized agent: *Provided*, That unless otherwise required by the law of the State in which the warehouse is located, when requested by the depositor of other than fungible agricultural products, a receipt omitting compliance with subdivision (g) of this section may be issued: *Provided, however*, The Secretary of Agriculture may in his discretion require that such receipt have plainly and conspicuously embodied in its written or printed terms a provision that such receipt is not negotiable.

SEC. 19. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products by which their quality or value may be judged or determined: *Provided*, That the standards for any agricultural products which have been, or which in future may be, established by or under authority of any other Act of Congress shall be, and are hereby, adopted for the purposes of this Act as the official standards of the United States for the agricultural products to which they relate.

SEC. 20. That while an original receipt issued under this Act is outstanding and uncanceled by the warehouseman issuing the same no other or further receipt shall be issued for the agricultural product covered thereby or for any part thereof, except that in the case of a lost or destroyed receipt a new receipt, upon the same terms and subject to the same conditions and bearing on its face the number and date of the receipt in lieu of which it is issued, may be issued upon compliance with the statutes of the United States applicable thereto in places under the exclusive jurisdiction of the United States or upon compliance with the laws of any State applicable thereto in any place not under the exclusive jurisdiction of the United States: *Provided*, That if there be in such case no statute of the United States or law of a State applicable thereto such new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this Act.

SEC. 21. That a warehouseman conducting a warehouse licensed under this Act, in the absence of some lawful excuse, shall, without unnecessary delay, deliver the agricultural products stored therein upon a demand made either by the holder of a receipt for such agricultural products or by the depositor thereof if such demand be accompanied with (a) an offer to satisfy the warehouseman's lien; (b) an offer to surrender the receipt, if negotiable, with such indorsements as would be necessary for the negotiation of the receipt; and (c) a readiness and willingness to sign, when the products are delivered, an acknowledgment that they have been delivered if such signature is requested by the warehouseman.

SEC. 22. That a warehouseman conducting a warehouse licensed under this Act shall plainly cancel upon the face thereof each receipt returned to him upon the delivery by him of the agricultural products for which the receipt was issued.

SEC. 23. That every warehouseman conducting a warehouse licensed under this Act shall keep in a place of safety complete and correct records of all agricultural products stored therein and withdrawn therefrom, of all warehouse receipts issued by him, and of the receipts returned to and canceled by him, shall make reports to the Secretary of Agriculture concerning such warehouse and the condition, contents, operation, and business thereof in such form and at such times as he may require, and shall conduct said warehouse in all other respects in compliance with this Act and the rules and regulations made hereunder.

SEC. 24. That the Secretary of Agriculture is authorized to cause examinations to be made of any agricultural product stored in any warehouse licensed under this Act. Whenever, after opportunity for hearing is given to the warehouseman conducting such warehouse, it is determined that he is not performing fully the duties imposed on him by this Act and the rules and regulations made hereunder, the Secretary may publish his findings.

SEC. 25. That the Secretary of Agriculture may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license issued to any warehouseman conducting a warehouse under this Act, for any violation

of or failure to comply with any provision of this Act or of the rules and regulations made hereunder or upon the ground that unreasonable or exorbitant charges have been made for services rendered. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

SEC. 26. That the Secretary of Agriculture from time to time may publish the results of any investigations made under Section 3 of this Act; and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this Act and lists of all licenses terminated under this Act and the causes therefor.

SEC. 27. That the Secretary of Agriculture is authorized through officials, employees, or agents of the Department of Agriculture designated by him to examine all books, records, papers, and accounts of warehouses licensed under this Act and of the warehousemen conducting such warehouses relating thereto.

SEC. 28. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this Act.

SEC. 29. That nothing in this Act shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, weighers, graders, inspectors, samplers, or classifiers; but the Secretary of Agriculture is authorized to cooperate with such officials as are charged with the enforcement of such State laws in such States and through such cooperation to secure the enforcement of the provisions of this Act; nor shall this Act be construed so as to limit the operation of any statute of the United States relating to warehouses or warehousemen, weighers, graders, inspectors, samplers, or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States.

SEC. 30. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture under this Act, or who shall violate or fail to comply with any provision of Section 8 of this Act, or who shall issue or utter a false or fraudulent receipt or certificate, or any person who, without lawful authority, shall convert to his own use, or use for purposes of securing a loan, or remove from a licensed warehouse contrary to this Act or the regulations promulgated thereunder, any agricultural products stored or to be stored in such warehouse and for which licensed receipts have been or are to be issued, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$10,000, or double the value of the products involved if such double value exceeds \$10,000, or imprisoned not more than one year, or both, in the discretion of the court, and the owner of the agricultural products so converted, used, or removed may, in the discretion of the Secretary of Agriculture, be reimbursed for the value thereof out of any fine collected hereunder, by check drawn on the Treasury at the direction of the Secretary of Agriculture, for the value of such products to the extent that such owner has not otherwise been reimbursed. That any person who shall draw with intent to deceive a false sample of, or who shall willfully mutilate or falsely represent a sample drawn under this Act, or who shall classify, grade, or weigh fraudulently, any agricultural products stored or to be stored under the provisions of this Act, shall be deemed guilty of a misdemeanor and upon conviction thereof fined not more than \$500 or imprisoned for not more than six months, or both, in the discretion of the court.

SEC. 31. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, available until expended, for the expenses of carrying into effect the provisions of this Act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere, and he is authorized, in his discretion, to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this Act, and out of the moneys appropriated by this Act to pay the salaries and expenses thereof.

SEC. 32. That if any clause, sentence, paragraph, or part of this Act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

SEC. 33. That the right to amend, alter, or repeal this Act is hereby expressly reserved.

